

high temperature shoddy for FR applications, blended shoddy for molding and thread shoddy for filtration.

Recently the company has put a unique twist on recycling by using a different natural fiber, wool, for blended shoddy automotive seating applications. "The benefit is

that wool is naturally fire retardant," explained Parris Hicks-Cherne, business development analyst. "Plus we have natural fibers for oil absorbents and erosion control. Another new market for us is the recycling of carpets, which are used by the industry for underlay pads."

Goodbye Cotton, Hello Corn?

A recent *New York Times* article reported that Mississippi farmers are following a trend (already seen in Iowa and other states) and switching from cotton to corn and soybean crops. The farmers claim that economics have made it impossible to profit from cotton crops and that expanding federal mandates for ethanol prompted them to plant more corn to keep up with its growing role as an energy feedstock.

According to the article, global cotton production and consumption are dropping, and the Agriculture Department expects U.S. exports to fall by \$1.2 billion this year. The Agriculture Department estimates that 8.8 million acres of cotton will be planted in the U.S. this year, down 7% from 2008 and 42% from 2006.

The swift decline of cotton in the U.S. has been influenced by numerous factors, including weather and the shrinking textile industry. Recently a key factor has been the waning profitability of cotton farming, in contrast to the rising profitability of corn and soybean farming. Since 2003, cotton prices have fallen nearly 23% while prices for soybeans are up more than 38% and corn nearly 65%. Meanwhile, according to the article, cotton surpluses have been stacking up around the globe in part because of rising yields from genetically-modified cotton seeds and other technological improvements.

Both George Hargrove, president sales and marketing of Barnhardt Manufacturing, and Jan O'Regan, senior manager, supply chain initiatives at Cotton Incorporated, commented on the decline in U.S. crops and exports and offered their opinions on what they mean for nonwovens.

"It's absolutely true that the number of cotton acres planted has declined in each of the past several years," remarked Mr. Hargrove. "At the same time, the yield per acre has increased. Also, the number of pounds of cotton and other fibers consumed in the traditional textile industry in the U.S. has continued to decline over that same period." Mr. Hargrove pointed out that a large percentage of the U.S. cotton crop is exported to other cotton-consuming countries. As a result, he said, the supply and demand for cotton in the U.S. has favored increased reserves and current models forecast that trend continuing.

Cotton Incorporated's Ms. O'Regan characterized the decline as part of a pattern she attributes to basic supply and demand shifts. "It's Economics 101," she said. "In global markets such as cotton, one can watch the most basic of economic lessons at work. The market-clearing price moves as supply and demand move."

She explained that on the demand side, the impact of consumer spending on the global economy is currently in evidence as consumers all over the world are spending less. "In our case they are buying less clothing and home textiles (the core markets for cotton). Bear in mind that cotton's share of the global apparel market is estimated at around 50%." On the supply side, she added, global production is on track to be on par with last year as we approach the end of the cotton fiscal year (August 1–July 30). Global inventories continue to grow and the critical stocks-to-use ratio is rising.

"Cotton is grown around the world in temperate climates," Ms. O'Regan continued. China is now number one, India is number two and the U.S. is number three. As cotton consumption in the U.S. has declined, our exports have risen. Cotton is a net export crop in the U.S. and well over half the crop grown in the past few years has been exported with China our largest customer. Despite the distance, U.S. cotton is valued around the world for its high quality and consistency. The U.S. is a trusted supplier."

Ms. O'Regan said that she is not surprised to see the switch from cotton to corn. "Corn has been in demand for at least a couple years as a raw material for ethanol, soy beans also. Farmers have options on what to plant. "In the end, when the economy comes around, the demand for cotton will rise, global inventories will be tapped, stocks-to-use ratios will come down, prices will rise, profits strengthen and farmers in the U.S. will come back into cotton."

